

FINAL STATEMENT OF REASONS

Explanation of Tandem Regulation Format and Process for Review

The authority for the Annual Reporting/Child Only (AR/CO) system is specified in Welfare and Institutions Code (WIC) sections 11265.45, 11265.46, 11265.47 and 11265.48 pursuant to the passage of Senate Bill (SB) 1041 (Chapter 47, Statutes of 2012). Section 56 of SB 1041 grants CDSS the authority to implement the AR/CO system through All County Letter (ACL) followed by Emergency Regulations. The ACL No. 12-49, dated September 27, 2012, gave counties the initial implementation instructions for the AR/CO system. The ACL No. 12-49 also directed counties to reference ACL No. 12-25, dated May 17, 2012, for further guidance on implementation of AR/CO as some of the same reporting and budgeting features introduced for Semi-Annual Reporting (SAR) are also used for AR/CO.

This regulation package contains a tandem regulation format for the operation of SAR and AR/CO reporting. This is because SAR and AR/CO are parallel reporting systems and recipients may transition between SAR and AR/CO.

Regulations that are operative under Semi-Annual Reporting are labeled (SAR). Regulations that are operative under Annual Reporting/Child Only are labeled (AR/CO). Regulations not labeled are applicable to both reporting systems and therefore remain unchanged.

Many of the new AR/CO regulations retain the primary intent and substance of the SAR requirements, but have been updated to include the appropriate AR/CO terms and references. For example, Section 40-181.2(d) reads as follows:

(SAR) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(SAR).

(AR/CO) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(AR/CO).

The only changes in the AR/CO provision above are adding the regulation cites for AR/CO and adding the appropriate AR/CO cross reference. The "Specific Purpose" for these regulations will read as follows: "This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 40-181.2(d)." The "Factual Basis" for these regulations will read as follows: "This section is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012)."

In certain cases, an AR/CO provision that substantively duplicates the existing SAR provision will also contain a change beyond the duplication. In such cases, the "Specific Purpose/Factual Basis" will address the additional provisions. Where the AR/CO related change is directly

related to a statutory requirement, additional language will be inserted to indicate the authority for the amended or adopted regulation.

This regulations package also contains clean-up changes. All Quarterly Reporting (QR) regulations became obsolete once SAR was implemented therefore regulations labeled (QR) are being repealed. In addition, the notification that each regulation impacted by SAR regulation will replace the QR regulation once SAR is implemented is also being repealed. These clean-ups are not included in the "Specific Purpose and Factual Basis" section below.

The California Work Opportunity and Responsibility to Kids (CalWORKs) program provides cash aid and other benefits to the state's needy families. To qualify for the program, a family's total net nonexempt income must be below a certain dollar amount. In calculating that net income, a portion of earned income is disregarded.

The authority for the Earned Income Disregard (EID) is specified in WIC section 11451.5 pursuant to the passage of SB 1041 (Chapter 47, Statutes of 2012). Section 26 of SB 1041 restores the EID to the pre-July 2011 level effective October 1, 2013 and gives the authority to implement via ACL and adopt emergency regulations by July 1, 2014. The ACL No. 13-42, dated May 23, 2013, informed County Welfare Departments (CWDs) of the restoration of the EID and provided instructions to implement the provisions of SB 1041 in regards to the EID changes.

The Maximum Aid Payment (MAP) is the maximum amount of aid a CalWORKs family can receive. The MAP amount is determined based on the number of eligible members in the assistance unit (AU) and the amount of countable income available to the AU.

Some types of income are disregarded and not included in the countable or "net non-exempt" income (NNI) of the CalWORKs AU and some are partially disregarded or given an income disregard in which a portion of that income is not counted. One such type of income includes Disability-based Unearned Income (DBI). The \$225 disregard is first applied to any DBI received by any individual whose income is considered when determining the grant amount for the CalWORKs AU.

Assembly Bill (AB) 1094 (Chapter 554, Statutes of 2013) authorizes the California Department of Social Services (CDSS) to include Veterans Disability Compensation benefits in the specific types of DBI eligible to receive the \$225 disregard effective January 1, 2014 and authorizes CDSS to implement via ACL. The ACL No. 14-08, dated January 29, 2014, informed counties of the new category of DBI and issued instructions to implement the provisions of AB 1094 retroactively to January 1, 2014.

The authority to change the MAP figures is specified in AB 85 (Chapter 24, Statutes of 2013) which mandates an increase to the MAP by five percent beginning March 1, 2014 and authorizes CDSS to implement via ACL. The ACL No. 14-05, dated January 13, 2014, informed counties of the five percent increase to the MAP and provided instructions to implement the provisions of AB 85.

The Manual of Policies and Procedures (MPP) Sections 44-111.23 and 44-113.215 are being amended to mirror changes made to the EID implemented by SB 1041. The MPP contains several handbook sections with examples of application of the income disregards in determining eligibility and aid payment levels. These handbook sections and examples are being updated with the revised method for calculating net income based upon WIC section 11451.5, the applicable current MAP levels in WIC sections 11450 and 11453(c)(6), and the Minimum Basic Standard of Adequate Care (MBSAC) levels as determined per WIC section 11453. Section 11453 gives authority to adjust the MBSAC as changes are made to the cost of living and is based on the California Necessities Index.

a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 22-071.12

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 22-072.2(l)

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 22-305.422(a), Examples (1), (2) and (3)

Specific Purpose/Factual Basis:

These handbook examples are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms and references, the existing Handbook Examples at Sections 22-305.422(a)(1), (2) and (3).

Section 40-039

Specific Purpose:

This section is adopted to establish how tandem regulations will be used, to ensure the continuation of current requirements that remain relevant under SAR and to designate the adopted requirements under AR/CO. This is necessary because SAR and AR/CO are parallel reporting systems and recipients may transition between SAR and AR/CO.

Factual Basis:

This adoption is necessary to provide an explanation of when AR/CO regulations will apply and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-103.7 through .9

Specific Purpose/Factual Basis:

Section 40-103.7 was repealed in 1991. Current Sections 40-103.8 and .9 are renumbered to Section 40-103.7 and .8 respectively, to accommodate the adoption of a new Section 40-103.9.

Section 40-103.9(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that defines an Annual Reporting/Child Only case as a CalWORKs AU that does not include an eligible adult, with the exception of an adult who has been sanctioned due to non-compliance with Welfare-to-Work requirements. This section references Section 42-721 which identifies sanctions due to non-compliance with Welfare-to-Work provisions.

Factual Basis:

This section is necessary to define new terminology used under the AR/CO system and to comply with WIC section 11265.45(a) as adopted by SB 1041 (Chapter 47, Statutes of

2012) which states that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-103.91

Specific Purpose:

This section is adopted to define "AR/CO Payment Period" as the period for which cash aid is paid and is the twelve month period immediately following the AR/CO Submit Month. This section also specifies that the AR/CO Payment Period is the twelve months following the completion and submittal of the form "Statement of Facts for Cash Aid, CalFresh and Medi-Cal/34-County Medical Services Program," (SAWS 2).

Factual Basis:

This section is necessary to define the term "AR/CO Payment Period," a term used under the AR/CO system and to comply with WIC section 11265.45(a) as adopted by SB 1041 (Chapter 47, Statutes of 2012) which states that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-103.92

Specific Purpose:

This section is adopted to define "AR/CO Data Month" as the month for which the recipient reports all information necessary to determine ongoing eligibility for CalWORKs cash aid. The AR/CO Data Month is the eleventh month of the AR/CO Payment Period.

Factual Basis:

This section is necessary to define the term "AR/CO Data Month," a term used under the AR/CO system and to comply with WIC section 11265.45(a) as adopted by SB 1041 (Chapter 47, Statutes of 2012) which states that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-103.93

Specific Purpose:

This section is adopted to define "AR/CO Submit Month" as the month in which the SAWS 2 is required to be completed and submitted to the county. The AR/CO Submit Month is the month that immediately follows the AR/CO Data Month and is the twelfth month of the AR/CO Payment Period.

Factual Basis:

This section is necessary to define "AR/CO Submit Month," a term used under the AR/CO system and to comply with WIC section 11265.45(a) as adopted by SB 1041 (Chapter 47, Statutes of 2012) which states that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-103.94

Specific Purpose:

This section is adopted to define "AR/CO Reporting Period" as the AR/CO Data Month and the eleven preceding months. This section further specifies that the AR/CO Reporting Period generally refers to the period of time since the SAWS 2 was completed and submitted.

Factual Basis:

This section is necessary to define "AR/CO Reporting Period," a term used under the AR/CO system and to comply with WIC section 11265.45(a) as adopted by SB 1041 (Chapter 47, Statutes of 2012) which states that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination."

Handbook Section 40-103.94

Specific Purpose/Factual Basis:

This handbook example is adopted to add an AR/CO provision illustrating how the months are arranged in an AR/CO Payment Period and specifying that the AR/CO Payment Period is based on the beginning date of aid. This amendment also explains that AR/CO cases are assigned SAR Cycles upon approval of aid because cases may transition between SAR and AR/CO. This handbook example is necessary to clarify new AR/CO terms and to illustrate reporting requirements under AR/CO.

Section 40-105.14(SAR)

Specific Purpose:

This section is amended to remove a (SAR) designation within the cross reference to Section 40-181.1(e)(1) because the referenced section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an

eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-105.14(AR/CO)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Section 40-105.14.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 40-105.4(g)(1), Examples (A) and (B)

Specific Purpose:

The computations have been updated to reflect the revised EID and the current MAP level. The change in MAP and MBSAC amounts were not a result of SB 1041; these amounts have changed since the handbook example was last updated. In order to correctly update and display the examples using the new EID, the MBSAC and MAP figures must also be updated.

Factual Basis:

This handbook section has been updated with the revised method for calculating the EID based on WIC section 11451.5. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC sections 11452 and 11453.

Section 40-107(j)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and forms, the existing Section 40-107(j).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-107(j)(1)

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-107(j)(2)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Section 40-107(j)(2). This section mandates that counties must send a notice to cash aid recipients informing them of the month in which the SAWS 2 form is due.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-107(j)(3)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Section 40-107(j)(3).

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-107(k) through (k)(6)

Specific Purpose:

These sections are adopted to specify that counties shall provide the recipient with written notice when a recipient's reporting requirements transition from AR/CO to SAR or SAR to AR/CO at any time during the AR/CO Payment Period or SAR Payment Period. The written notice shall include the following: effective date of the change in reporting requirements; reporting rules; income reporting threshold rules; mandatory reporting rules; voluntary reporting rules and welfare-to-work reporting rules.

Factual Basis:

This adoption is necessary to establish what reporting instructions must be sent to recipients when the reporting system changes from AR/CO to SAR or SAR to AR/CO. This adoption is also necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-107(k)(6)(A) through (k)(6)(A)2.

Specific Purpose:

These sections are adopted to add provisions that mandate cases may transition from AR/CO to SAR. These adoptions specify that the "SAR 7 Eligibility Status Report" (SAR 7) shall not be due in the same month in which the adult is added to the household and that a case shall retain the same SAR Cycle and redetermination date when a case transitions from AR/CO to SAR.

Factual Basis:

These adoptions are necessary to establish provisions for when a case transitions from AR/CO to SAR reporting requirements and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-107(k)(6)(B)

Specific Purpose:

These sections are adopted to add provisions that mandate cases may transition from SAR to AR/CO. Specifically, this regulation mandates that a case shall transition from SAR to AR/CO effective the first of the month following when the adult is removed from the household; the case shall not be discontinued if the recipient fails to submit the SAR 7 in cases where the adult has a SAR 7 due in one month, but transitions to AR/CO the

following month; and the case shall retain the same SAR Cycle and redetermination due date, which is based on the beginning date of aid.

Factual Basis:

This adoption is necessary to establish provisions for when a case transitions from SAR to AR/CO reporting requirements and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 40-107(l), Examples (1) and (2)

Specific Purpose/Factual Basis:

This handbook section is adopted to add examples of how a case will transition from AR/CO reporting requirements to SAR reporting requirements. This addition to the handbook is necessary to illustrate when and how a case will transition from AR/CO to SAR.

Handbook Section 40-107(l), Example (3)

Specific Purpose/Factual Basis:

This handbook section is adopted to add an example of how a case will transition from SAR reporting requirements to AR/CO reporting requirements. This addition to the handbook is necessary to illustrate when and how a case will transition from SAR to AR/CO.

Section 40-119.2

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and forms, the existing Section 40-119.2. Specifically, this regulation mandates that the county shall consider the "Initial Application for CalFresh, Cash Aid, and/or Medi-Cal/Health Care Programs" (SAWS 1), or the "Mid-Year Status Report for Cash Aid and CalFresh" (AR 3), the application for adding an optional person.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-125.952 and .96

Specific Purpose:

These sections are amended to remove the (SAR) designation because the existing sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish the sections as SAR regulations.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-128.12 and .122

Specific Purpose:

These sections are amended to remove the (SAR) designation because the existing sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish the sections as SAR regulations.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-173.1

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-173.8

Specific Purpose:

This section is amended to remove the (SAR) designation of a subsection title because the existing subsection title applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish as a SAR regulation. The word "Payment" is added before "Period" to clarify that the regulation is referring to a "SAR Payment Period." Also an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 40-173.8 is being adopted.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-173.81 through .83

Specific Purpose:

These sections are amended to remove the (SAR) designation because the existing sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish the sections as SAR regulations.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-181.1(a)(SAR)

Specific Purpose/Factual Basis:

This section is amended to correct a typographical error.

Section 40-181.1(a)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 40-181.1(a).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47 Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-181.1(a)(1)

Specific Purpose:

This section is amended to add an AR/CO provision that is similar to the existing Section 40-181.1(a)(1). This section differs from the SAR section in the fact that household composition is not included in the statement with the AR/CO designation. This is due to the fact that eligibility is assessed mid-period based on changes in household composition reported mid-period.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47 Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 40-181.1(a)(3)(AR/CO)

Specific Purpose/Factual Basis:

This handbook section is adopted to provide an example of using both the information from a verified mid-period report and the "Application for CalFresh, Cash Aid, and/or Medi-Cal/Health Care Programs" (SAWS 2 Plus) to determine property eligibility for CalWORKs. This handbook section is necessary to illustrate how property eligibility is determined under annual reporting.

Sections 40-181.1(d), (e)(1) and (g)

Specific Purpose:

These sections are amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO references, the existing Sections 40-181.1(d), (e)(1) and (g).

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47 Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-181.213, .214 et. seq., .215 et. seq., .216 et. seq. and .217 et seq.

Specific Purpose:

These sections are amended to remove the (SAR) designation because the existing sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish these sections as SAR regulations. Sections 40-181.214(b)(1) and (d), .215(b), and .216(b) are further amended to remove the SAR designations from the cross-referenced sections within the regulations because the sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish those cross-referenced sections as SAR regulations.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 40-181.312 and .32

Specific Purpose:

These sections are amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Sections 40-181.312 and .32.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-188.14

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Section 40-188.14.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 40-190.21

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 41-405.11

Specific Purpose:

This section is amended to add an AR/CO provision that is similar to the existing Section 41-405.11. This section specifies that, for AR/CO cases, counties are required to take mid-period action due to changes in deprivation, based on changes in household composition only. All other changes in deprivation will not be acted on by the county until the redetermination. This section cross reference section 41-405.111 which specifies requirements for mid-period action based on changes in deprivation based on changes in household composition.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an

eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 41-405.111 (AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies that counties are required to take mid-period action due to changes in deprivation that are the result of a change in household composition. This section also states that changes in deprivation based on changes in household composition shall be effective pursuant to the provisions in Section 44-316.25(AR/CO).

Factual Basis:

This adoption is necessary to establish a provision that specifies that changes in household composition that result in changes in deprivation must be acted on by the county mid-period and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 42-209.2

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 42-213.11(h)(1)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Section 42-213.11(h)(1).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 42-213.127 and .231(l)

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms, the existing Sections 42-213.127 and .231(l).

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 42-213.231(m), Example 1

Specific Purpose/Factual Basis:

This handbook example is amended to update the MBSAC per WIC sections 11452 and 11453. The changes in the MBSAC resulted in a change in the calculation of the number of months the AU is ineligible. The number of months changed from two months to one month; this change resulted in a change in the month the AU can reapply for aid from September 1 to August 1.

An AR/CO example is added that substantively duplicates, with appropriate AR/CO terms, the existing Handbook section 42-213.231(m), Example 1.

Handbook Section 42-213.231(m), Example 2

Specific Purpose/Factual Basis:

This handbook example is amended change the example from an AU of three to an AU of two. The example now specifies the AU resides in Region 1, the MBSAC is updated per WIC sections 11452 and 11453.

An AR/CO example is added that substantively duplicates, with appropriate AR/CO terms, the existing Handbook section 42-213.231(m), Example 2.

Sections 42-213.411 and .421

Specific Purpose:

These sections are amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Sections 42-213.411 and .421.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 42-221.51(a) and (b)

Specific Purpose:

These sections are amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Sections 42-221.51(a) and (b).

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 42-406.24

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Section 42-406.24.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 42-407.1

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Post-hearing Modification

Section 42-716.7 et seq.

Section 42-716.7 et seq. was renumbered to 42-716.5 et seq. effective January 22, 2015 by OAL File No. 2015-0112-01EFP.

Section 42-769.5

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation. This section was further amended to remove the (SAR) designation from the cross reference to Section 44-316.33 as the designation no longer exists with the amended regulations.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-101(a)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 44-101(a).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-101(b)(1)(D) and (b)(2)(C)

Specific Purpose:

These sections are amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish these sections as SAR regulations. The (SAR) designations within the cross reference to Sections 44-101(b)(1)(D) and 44-209.2 were also removed because the existing sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish the sections as SAR regulations.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-101(c)(1)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 44-101(c)(1).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-101(f)(1)(E)

Specific Purpose:

This section is adopted to include Veterans Disability Compensation (VDC) benefit in the specific types of DBI that must be disregarded when calculating a CalWORKs family's cash aid.

Factual Basis:

This section is necessary to comply with WIC section 11451.5 as amended by AB 1094 which includes VDC benefits as DBI that shall be exempt from the calculation of income when calculating the family's cash aid grant.

Section 44-101(l)(1)

Specific Purpose:

This section is amended to remove the (SAR) designation within the cross reference to section 42-209.2 because the existing cross referenced section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

This section is also amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 44-101(l)(1).

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-101(m)(1)

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation. The (SAR) designation is also removed from the cross reference to Section 44-316.324 because the designation no longer exists within the amended regulations.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-102.1

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 44-44.102.1.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-102.14

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 44-102.14.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-111.23 et. seq

Specific Purpose:

This section is being amended to specify, in text and numerically, the method for disregarding portions of disability-based and earned income when determining the NNI to be used when calculating a CalWORKs family's cash aid.

Factual Basis:

These amendments are necessary to correctly describe the method of determining NNI for purposes of calculating the correct amount of aid. The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. That process is detailed in the amended regulation.

Sections 44-113.211, .212, .213 and .215

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms and references, the existing Sections 44-113.211, .212, .213 and .215. Section 44-113.215(SAR) is further amended to change the amount of DBI from \$112 to \$225 to the method for disregarding any remainder of the disability-based income disregard to portions of reasonably anticipated earned income from self-employment when determining the NNI to be used when calculating a CalWORKs family's cash aid.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination. Also, WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined.

Handbook Section 44-113.22(SAR)

Specific Purpose:

This handbook section is being amended to reflect the changes made to the EID. Section 44-113 is the section of the manual that specifies a step-by-step process for determining net income for CalWORKs clients. This handbook section being modified uses a scenario with a given set of circumstances for a CalWORKs family with earned income only and applies the EID to that scenario. The text and figures have been adjusted to reflect the changes to the EID.

Factual Basis:

The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. This handbook section has been updated with the revised method for calculating the EID, as determined per WIC section 11451.5.

Handbook Section 44-113.22(AR/CO)

Specific Purpose/Factual Basis:

The handbook has been amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms, the existing Handbook Section 44-113.22, which provides an example of AR/CO financial eligibility and grant computations.

Sections 44-113.31, .32, .411, .412, .42 and .5

Specific Purpose:

These sections are amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Sections 44-113.31, 32, .411, 412, .42 and .5.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-113.61, .62 and .8

Specific Purpose:

These sections are amended to remove the (SAR) designations because the existing sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish these sections as SAR regulations. The (SAR) designation is also removed from the cross references to Section 44-209.2 because the designation no longer exists within the amended regulations.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-115.12

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 44-115.12.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-133.54, Example 1 (SAR)

Specific Purpose/Factual Basis:

This handbook example is amended to replace the term "alien" with "noncitizen." The example is further amended to add a (SAR) designation, as the example applies to cases with an aided adult, and therefore applies to SAR cases only. This handbook section includes examples of grant calculations for people who reside in the family home but are excluded from the AU when the cash aid amount is determined. The examples in the handbook section have been updated with the revised EID and MAP levels. The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. This handbook section has been updated with the revised method for calculating the EID based on WIC section 11451.5. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC sections 11452 and 11453.

Handbook Section 44-133.54, Example 1 (AR/CO)

Specific Purpose/Factual Basis:

This handbook section, which provides an example of AR/CO financial ineligibility, has been amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms, the existing Handbook Section 44-133.54, Example 1.

Handbook Section 44-133.54, Example 2 and Example 3

Specific Purpose/Factual Basis:

These handbook examples 2 and 3 have been amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms, the existing Handbook Section 44-133.54, Examples 2 and 3 which provide examples of AR/CO financial eligibility and grant computations.

Handbook Section 44-207.111

Specific Purpose/Factual Basis:

This handbook example is amended to add a (SAR) designation, as the example applies to cases with an aided adult, and therefore applies to SAR cases only. This handbook example is amended to add updated MBSAC amounts per WIC sections 11452 and 11453. Further, an AR/CO example is added that substantively duplicate, with appropriate AR/CO terms, the existing Handbook Section 44-207.111, which provides an example of AR/CO financial eligibility and grant computations.

Section 44-207.21

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-207.211 and .212

Specific Purpose:

These sections are amended to remove the (SAR) designation from the cross references to Sections 44-133, 44-315.3 and 44-316.324 because the designation no longer exists within the amended regulations. Section 44-207.211 is further amended to change the term "SAR period" to "SAR Payment Period" for clarity. Also, these sections are amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Sections 44-207.211 and .212.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-207.212 (SAR)

Specific Purpose:

This handbook example is amended to add a (SAR) designation, as the example applies to cases with an aided adult, and therefore applies to SAR cases only. This handbook section includes examples of grant calculations for people who reside in the family home but are excluded from the AU when the cash aid amount is determined. EID and MAP levels have been updated. The example was further amended to correct a typographical error to maintain consistent wording. The phrase "Net Nonexempt Earnings" was changed to reflect "Net Nonexempt Income."

Factual Basis:

The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. This handbook section has been updated with the revised method for calculating the EID based on WIC sections 11451.5. The current MAP levels are based on WIC sections 11450, and MBSAC levels as determined per WIC section 11452 and 11453.

Handbook Section 44-207.212(AR/CO)

Specific Purpose/Factual Basis:

The handbook has been amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms, the existing Handbook section 44-207.212, which provides an example of AR/CO financial eligibility and grant computations.

Sections 44-207.23 and .24

Specific Purpose:

Section 44-207.23 is amended to remove the (SAR) designation from the cross reference to Section 44-316.324 because the designation no longer exists within the amended regulations. Sections 44-207.23 and .24 are amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 44-207.23 and .24.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-211.11, .2, .633 and .64

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms and references, the existing Sections 44-211.11, .2, .633 and .64.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-304.511, .512 and .52

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms and references, the existing Sections 44-304.511, .512 and .52.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-305.231

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Section 44-305.231.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-313 (Introductory Paragraph), .11, .111, .121 and .21

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms and references, the existing introductory paragraph, Section 44-313.11, .111, .121 and .21. Further, in the second introductory paragraph the (SAR) designation is removed because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation; also the SAR designation is removed in the cross reference to Section 44-316.324 because the designation no longer exists within the amended regulations.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-315.31, .311, .312, .313, .314 and .315

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate terms and references, the existing Sections 44-315.31, .311, .312, .313, .314 and .315. Section 44-315.315(a)(SAR) is further amended to remove the (SAR) designation from the cross reference to Section 44-315(b) because the designation no longer exists within the amended regulations.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-315.315(a)(3), Examples

Specific Purpose/Factual Basis:

This handbook section is amended to add AR/CO examples that substantively duplicate the current handbook examples in order to illustrate when and how weekly and bi-weekly income is determined under AR/CO.

Section 44-315.315(c)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate terms and references, the existing Section 44-315.315(c).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-315.315(c)

Specific Purpose/Factual Basis:

This handbook example is amended to add an AR/CO example that substantively duplicates the SAR example, with appropriate AR/CO terms.

Section 44-315.315(d)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate terms and references, the existing Section 44-315.315(d).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-315.315(d)

Specific Purpose/Factual Basis:

This handbook example is amended to add an AR/CO example that substantively duplicates the SAR example, with appropriate AR/CO terms.

Section 44-315.316

Specific Purpose:

This section is amended to add an AR/CO provisions that substantively duplicates, with appropriate terms and references, the existing Section 44-315.316.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-315.316

Specific Purpose/Factual Basis:

This handbook example is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO terms and references, the existing Handbook Example 44-315.316.

Section 44-315.316(a)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate terms and references, the existing Section 44-315.316(a).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-315.316(a), Examples

Specific Purpose/Factual Basis:

These handbook examples are amended to add a number to the (SAR) examples provided. The first example was numbered 1. The second example was numbered 2. A typographical error was also corrected in example 1. This handbook section is also amended to add AR/CO examples that substantively duplicate, with appropriate AR/CO terms and references, the existing examples at Handbook Section 44-315.316(a).

Section 44-315.317

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate terms and references, the existing Section 44-315.317.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-315.321

Specific Purpose:

This handbook section amended to reflect the updated MAP and MBSAC standards in both region one and region two in both exempt and non-exempt households. The change in MAP and MBSAC amounts were not a result of SB 1041; these amounts have changed since the handbook example was last updated.

Factual Basis:

This handbook section has been updated with the revised MAP and MBSAC standards. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC sections 11452 and 11453.

Handbook Section 44-315.39(SAR), Example 1

Specific Purpose:

This handbook section is amended to reflect the updated EID amount of \$225 and current MAP levels as of 3/1/14. The change in MAP and MBSAC amounts were not a result of SB 1041; these amounts have changed since the handbook example was last updated. In addition, the example was amended to remove the statement "(third trimester of pregnancy)" as this reference is incorrect and therefore removed.

Factual Basis:

The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. This handbook section was amended to reflect the method for calculating the EID based on WIC section 11451.5. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC sections 11452 and 11453. In addition, the AU illustrated in the example is eligible

for the pregnancy special needs payment upon verification of pregnancy, per Section 44-211.641; therefore the reference to the third trimester of pregnancy within this example was incorrect.

Handbook Section 44-315.39(AR/CO), Example 1

Specific Purpose/Factual Basis:

This handbook example is amended to add an AR/CO provision that illustrates how the grant is calculated in an AR/CO case when the AU's income reported for the AR/CO Data Month is expected to continue for the upcoming AR/CO Payment Period.

Handbook Section 44-315.39(SAR), Example 2

Specific Purpose:

This handbook section is amended to reflect the updated EID amount of \$225 and current MAP levels as of 3/1/14. The change in MAP and MBSAC amounts were not a result of SB 1041; these amounts have changed since the handbook example was last updated.

Factual Basis:

The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. This handbook section was amended to reflect the method for calculating the EID based on WIC section 11451.5. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC sections 11452 and 11453.

Handbook Section 44-315.39(AR/CO), Example 2

Specific Purpose/Factual Basis:

This handbook example is amended to add an AR/CO provision that illustrates how the grant is calculated in an AR/CO case when the AU's income reported for the AR/CO Data Month is reasonably anticipated to differ for one or more months of the AR/CO Payment Period.

Handbook Section 44-315.39(SAR), Example 3

Specific Purpose:

This handbook section is amended to reflect the updated EID amount of \$225 and current MAP levels as of 3/1/14. The change in MAP and MBSAC amounts were not a result of SB 1041; these amounts have changed since the handbook example was last updated.

Factual Basis:

The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. This handbook section was amended to reflect the method for calculating the EID based on WIC section 11451.5. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC sections 11452 and 11453.

Handbook Section 44-315.39(AR/CO), Example 3

Specific Purpose/Factual Basis:

This handbook example is amended to add an AR/CO provision that illustrates how the grant is calculated in an AR/CO case when the AU experiences changes mid-period which result in changes to the AU's cash aid mid-period.

Sections 44-316.2, .21, .22, .23, .231, .3, .31, .311, .312(a)(1)(A), .312 (a)(1)(B), .312(a)(3), .312(a)(4) and .312(a)(5)

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate terms and references, the existing Sections 44-316.2, .21, .22, .23, .231, .3, .31, .311, .312(a)(1)(A), .312(a)(3), .312(a)(4) and .312(a)(5).

Section 44-316.21(SAR) is also amended to add the cross reference to Section 44-181.214 which specifies the deadline in which a recipient must submit the SAWS 2.

Section 44-316.231 is also amended to correct the term "SAR Reporting Period" with "SAR Payment Period" for clarity and consistency.

Section 44-316.31(SAR) is also amended to remove from cross-referenced Section 22-071.12 the SAR designation because the designation no longer exists within the amended regulations.

Section 44-316.312(a)(1)(B)(SAR) is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination. The cross reference to Section 40-181.214 in Section 44-316.21(SAR)

clarifies the deadline in which the recipient must submit the SAWS 2. The current cross reference only specifies the deadline to submit the SAR 7 and the deadline to submit the SAWS 2 and SAR 7 is different; therefore, the additional cross reference is needed.

Handbook Section 44-316.312(a)(5)(SAR)

Specific Purpose:

The handbook example is amended to reflect the revised EID and current MAP levels as of 3/1/14. The change in MAP and MBSAC amounts were not a result of SB 1041; these amounts have changed since the handbook example was last updated. The handbook example is further amended to correct a typographical error which referred to the Assistance Unit as an "exempt" household when in fact the example illustrates a "non-exempt" household.

Factual Basis:

The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. This handbook section has been updated with the revised method for calculating the EID based on WIC section 11451.5. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC sections 11452 and 11453.

Handbook Section 44-316.312(a)(5)(AR/CO)

Specific Purpose/Factual Basis:

This handbook example is amended to add AR/CO provisions that substantively duplicates, with appropriate AR/CO terms and references, the existing Handbook Section 44-316.312(a)(5).

Section 44-316.312(b)(1) et seq. and (b)(3)

Specific Purpose:

These sections are amended to add a (SAR) designation to the provision. The provisions regarding voluntarily adding persons to an existing AU apply to SAR cases only.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-316.312(c)

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate terms and references, the existing Section 44-316.312(c).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-316.312(d)(1), (d)(2) and (d)(2)(A)

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate terms and references, the existing Sections 44-316.312(d)(1), (d)(2) and (d)(2)(A). Section 44-316.312(d)(2)(AR/CO) further specifies when a "teen" AU member becomes pregnant mid-period, the county shall make payments according to existing pregnancy special needs rules.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-316.32

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate terms and references, the existing Section 44-316.32.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-316.321(e)

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-316.321(f)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision to specify that recipients must report when their household composition changes mid-period.

Factual Basis:

This adoption is necessary to comply with WIC section 11265.47(c)(2), which states that any change in household composition shall be reported within 10 days. This section is also necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-316.324(a) et seq.

Specific Purpose:

These sections are amended to remove the (SAR) designations because the existing sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish these sections as SAR regulations. In addition, "and annual" was added to Section 44-316.324(a) to specify that the three tiers also apply to annual reporting.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-316.324(a)

Specific Purpose/Factual Basis:

This handbook section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this handbook section as (SAR). In addition, "and annual" was added to specify that the three tiers also apply to annual reporting. This section is further amended to include changes in the amount of income that triggers the need for a CalWORKs AU to report a mid-period change in income. The change in the amount of the income reporting threshold was not a result of SB 1041; these amounts have changed since the handbook example was last updated due to the change in amount of the Federal Poverty Level (FPL).

Sections 44-316.324(b), (c), (c)(1), (c)(1)(A), (c)(1)(B), (c)(2) and (d)

Specific Purpose:

Sections 44-316.324(b), (c), (c)(1), (c)(1)(B), (c)(2) and (d) are amended to add an AR/CO provision that substantively duplicates, with appropriate terms and references, the existing Section 44-316.324(b). Section 44-316.324(c)(1)(B) is further amended to correct a typographical error. Section 44-316.324(c)(1)(A) is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-316.324(d)

Specific Purpose/Factual Basis:

This handbook section is amended to add an AR/CO provision to provide an example of the application of Section 44-316.324(d) in a case situation.

Section 44-316.325(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies counties shall act on reported changes in household composition mid-period.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination. The WIC section 11265.47(c)(2) now requires mandatory mid-period reports of household composition changes in AR/CO cases, whereas these reports are only voluntary mid-period reports in SAR cases.

Section 44-316.325(a)(AR/CO) et seq.

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies how counties shall add persons to an existing AU when reported mid-period; what factors the county shall consider; determination by the county of whether or not the person is CalWORKs eligible; determination of whether the AU would still meet all eligibility conditions if the person is added to the AU; and whether the addition of the new person would increase or decrease the grant amount or render the AU ineligible.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination. The WIC section 11265.47(c)(2) now requires mandatory mid-period reports of household composition changes in AR/CO cases, whereas these reports are only voluntary mid-period reports in SAR cases. Section 7 of SB 1041 requires that the county verify any change in household composition reported by a recipient and determine the recipient's financial eligibility and grant amount. The adoption is necessary to maintain consistency in the Department's instructions on how to add a person to an AU, which requires counties to determine the following: if the new person is eligible for CalWORKs; if adding the new person to the AU would continue to make the AU eligible for CalWORKs; or if the addition of the new person to the AU would render the AU ineligible.

Section 44-316.325(b)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies if the new person is CalWORKs eligible, the county shall use the reasonably anticipated income for the new person and the existing AU's income for the month in which the person was reported in the home. The section further specifies that the county shall not recalculate the existing AU's income that was previously computed.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012). The WIC section 11265.47(c)(2) now requires mandatory mid-period reports of household composition changes in AR/CO cases, whereas these reports are only voluntary mid-period reports in SAR cases. Section 7 of SB 1041 requires that the county verify any change in household composition reported by a recipient and determine the recipient's financial eligibility and grant amount. The adoption is necessary to maintain consistency in the Department's instructions in that the county shall use the reasonably anticipated income for the new person and the existing AU's income for the month in which the new person was reported in the home and the remaining months of the AR/CO Payment Period and the county shall not recalculate the existing AU's income that was previously computed.

Section 44-316.325(c)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies when aid would increase due to the report of a new person in the home. The county shall add the new person effective the first of the month following the report of the change in which all verification has been provided and all eligibility conditions have been met.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012). The WIC section 11265.47(c)(2) now requires mandatory mid-period reports of household composition changes in AR/CO cases, whereas these reports are only voluntary mid-period reports in SAR cases. Section 7 of SB 1041 requires that the county verify any change in household composition reported by a recipient and determine the recipient's financial eligibility and grant amount. The adoption is necessary to maintain consistency in the Department's instructions that when aid will increase due to the report of a new person, the county shall add the person effective the first of the month following the report of the change, in which all verification has been provided and all eligibility conditions have been met.

Section 44-316.325(c)(1)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies the county shall include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate cash aid for the month the new person is added and the remaining months of the AR/CO Payment Period.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012). The WIC section 11265.47(c)(2) now requires mandatory mid-period reports of household composition changes in AR/CO cases, whereas these reports are only voluntary mid-period reports in SAR cases. Section 7 of SB 1041 requires that the county verify any change in household composition reported by a recipient and determine the recipient's financial eligibility and grant amount. The adoption is necessary to maintain consistency in the Department's instructions in that the county shall include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate the cash aid for the month the new person is added and the remaining months of the AR/CO Payment Period.

Section 44-316.325(c)(1)(A)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies that the new person's income will be determined for the remaining months of the AR/CO Payment Period. This section further specifies that the county shall not recalculate the existing AU's monthly income that was previously computed when adding a new person to the grant.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012). The WIC section 11265.47(c)(2) now requires mandatory mid-period reports of household composition changes in AR/CO cases, whereas these reports are only voluntary mid-period reports in SAR cases. Section 7 of SB 1041 requires that the county verify any change in household composition reported by a recipient and determine the recipient's financial eligibility and grant amount. The adoption is necessary to maintain consistency in the Department's instructions in that the new person's income will be determined for the remaining months of the AR/CO Payment Period. The county shall not recalculate the existing AU's monthly income that was previously computed when adding a new person to the grant.

Section 44-316.325(c)(1)(B)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies that the new grant amount shall be based on the AU's existing monthly income and the new person's reasonably anticipated income for the months the new person would be included in the AU.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012). The WIC section 11265.47(c)(2) now requires mandatory mid-period

reports of household composition changes in AR/CO cases, whereas these reports are only voluntary mid-period reports in SAR cases. Section 7 of SB 1041 requires that the county verify any change in household composition reported by a recipient and determine the recipient's financial eligibility and grant amount. The adoption is necessary to maintain consistency in the Department's instructions in that the new grant amount shall be based on the AU's existing monthly income and the new person's reasonably anticipated income for the months the new person would be included in the AU.

Section 44-316.325(c)(2)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies that the county shall increase the grant amount for the month the new person is added to the home and the remaining months of the AR/CO Payment Period based on the recalculation of the AUs cash aid. The section includes a reference to Section 44-340.3(AR/CO) which states an underpayment shall not be established when a change in circumstances occurs or actual income received is less than what was reasonably anticipated for the AR/CO Payment Period and the recipient did not voluntarily report the change in income.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012). The WIC section 11265.47(d)(1)(B) requires that if it is determined that the recipient's grant amount should increase based on a change in household composition, the county shall increase the recipient's grant amount for the remainder of the year with timely and adequate notice, effective the first of the month following the month in which the change occurred. The adoption is necessary to maintain consistency in the Department's instructions in that the county shall increase the grant amount for the month the new person is added and the remaining months of the AR/CO Payment Period based on the recalculation of the AU's cash aid, per Section 44-340.3(AR/CO).

Section 44-316.325(d)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies that if the addition of a new person would result in a decrease in the existing AUs cash aid, the county shall decrease the grant after all verification has been provided and all eligibility conditions have been met. The section also states that the county shall provide the AU with timely and adequate notice of the decrease in grant effective the first of the month following the month in which the change occurred.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012). The WIC section 11265.47(d)(1)(B) requires that if it is determined that

the recipient's grant amount should decrease based on a change in household composition, the county shall reduce the recipient's grant amount for the remainder of the year with timely and adequate notice, effective the first of the month following the month in which the change occurred.

Section 44-316.325(e)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies that if the addition of a new person would render the existing AU ineligible, the county shall take action mid-period to discontinue the existing AU with timely and adequate notice effective the end of the month in which the change occurred.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012). The WIC section 11265.47(d)(1)(A) requires that if the recipient is determined to be financially ineligible based on a change in household composition, the county shall discontinue the recipient with timely and adequate notice, effective at the end of the month in which the change occurred.

Sections 44-316.33, .331, .331(b), (d), (f), (g), (i), (k), (l), (m), (p), (q), (r), (s) and (t)

Specific Purpose:

These sections are amended to remove the (SAR) designation because the existing sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish these sections as SAR regulations.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44.316.331(n) and (o)

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms and references, the existing Sections 44-316.331(n) and (o).

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44.316.331(u)

Specific Purpose:

This section is adopted to list the transference of a Non-Minor dependent into his or her own AU as one of the county-initiated mid-period actions.

Factual Basis:

This section is necessary to allow the transference of a non-minor dependent into his or her own AU as one of the county-initiated mid-period actions to ensure that the non-minor dependent does not experience a break in aid and to prevent duplication of benefits. This adoption is also necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44.316.331(v)(AR/CO)

Specific Purpose:

This section is adopted to add an AR/CO provisions which states the county shall initiate mid-period action when the county determines an overpayment occurs. This provision states the county shall begin collecting overpayments via grant adjustment.

Factual Basis:

The adoption of this section is necessary to comply with WIC section 11265.45(f), which states that if an overpayment has occurred, the county shall commence any applicable grant adjustment as of the first monthly grant after timely and adequate notice is provided.

Section 44-318.112

Specific Purpose:

This section is amended to add an AR/CO provision that states when a mandatorily reported person results in a decrease in cash aid, the beginning date of aid shall be the first day of the month following the month in which the change occurred.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-318.122

Specific Purpose:

This section is amended to add an AR/CO provision that states when an optionally reported person results in a decrease in cash aid, the beginning date of aid shall be the first day of the month following the month in which the change occurred.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-318.151 et seq.

Specific Purpose:

This section is amended to add AR/CO provisions that state when a newborn child is added that results in a cash aid increase or decrease, the beginning date of aid is the first of the month after the birth is reported and all conditions or eligibility have been met. This section cross references Section 44-211.633(AR/CO), which specifies when the birth of the child is reported mid-period, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-318.152 et seq.

Specific Purpose:

This section is amended to add AR/CO provisions that state when a newborn Maximum Family Grant (MFG) child (a child that is not included in the AU size for the purpose of determining the MAP) is added that results in a no change or decrease in cash aid, the

beginning date of aid is the first of the month after the birth is reported and all conditions or eligibility have been met.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-325.1

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO references, the existing Section 44-325.1. Section 44-325.1 (SAR) is further amended to remove the (SAR) designation within the cross reference to Section 22-071 and Section 22-072 because the cross referenced sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish the cross referenced sections as SAR regulations.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012).

Section 44-325.2

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO references, the existing Section 44-325.2.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-327.25

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO references, the existing Section 44-327.25.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-340.133

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO references, the existing Section 44-340.133.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-340.14

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 44-340.33

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO references, the existing Section 44-340.33.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-350.18 and .5

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO references, the existing Section 44-350.18 and .5.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 44-352.111 et seq and .112(a)(2)

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO references, the existing Sections 44-352.111 et seq. and .112(a)(2).

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 44-352.121(a)(2)

Specific Purpose/Factual Basis:

This handbook example is adopted to add an AR/CO example that substantively duplicates, with appropriate AR/CO terms and references, the existing Handbook section 44-352.121(a)(2).

Handbook Section 44-352.125

Specific Purpose:

This handbook example is amended to reflect the updated EID amount and current MAP levels effective 3/1/14. The change in MAP and MBSAC amounts were not a result of SB 1041; these amounts have changed since the handbook example was last updated.

Factual Basis:

The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. This handbook section has been amended with the revised method for calculating the EID based on WIC section 11451.5. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC section 11452 and 11453.

Section 44-352.41

Specific Purpose:

This section is amended to add an AR/CO provision that states recoupment by grant adjustment shall be initiated mid-period. The amendment further states that grant adjustment shall be discontinued mid-period when the debt is paid in full.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 48-001.114

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 80-301(a)(5)

Specific Purpose:

This section is adopted to add an AR/CO definition of Annual Reporting/Child Only (AR/CO). The section states AR/CO is a reporting system for CalWORKs AUs that do not include an eligible adult, with the exception of an adult who has been sanctioned per Section 42-721. Further, the definition states that under AR/CO recipients are required to submit an eligibility report once per year in addition to other mandatory mid-period reports.

Factual Basis:

This adoption is necessary to define a new term used under AR/CO and to explain that under AR/CO one eligibility report, in addition to mandatory mid-period reports, is due. The WIC section 11265.45(a) as adopted by SB 1041 (Chapter 47, Statutes of 2012) states that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Sections 80-301(a)(6), (a)(7), and (a)(8)

Specific Purpose/Factual Basis:

These sections are renumbered to maintain consistent numbering of the MPP due to the addition of new Section 80-301(a)(5).

Section 80-301(c)(6) and (m)(2)

Specific Purpose:

These sections are amended to remove the (SAR) designation because the existing definitions apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish these sections as SAR definitions.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR definitions that remain relevant under AR/CO.

Section 80-301(m)(4)

Specific Purpose:

This section is amended to add an AR/CO definition that substantively duplicates, with appropriate AR/CO terms and references, the existing SAR definition.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR definition that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 80-301(s)(3)

Specific Purpose/Factual Basis:

This section is amended to make a grammatical correction.

Section 80-301(s)(4)

Specific Purpose:

This section is amended to specify SAR replaced Quarterly Reporting. Further, the definition states the current requirements for recipients under the SAR reporting system.

Factual Basis:

This amendment is necessary to clarify that, under SAR, recipients are required to submit an eligibility report every six months.

Section 80-301(v)(1)

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing definition applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR definition.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR definition that remains relevant under AR/CO.

Section 80-310(a)(1)(AR/CO)

Specific Purpose:

This section is adopted to incorporate by reference a form that is used in the AR/CO reporting system. This form is not printed in the CDSS MPP because it would be cumbersome and impractical; however, this form is readily available from the CDSS. The AR 2 (Reporting Changes for Cash Aid and CalFresh form) substantively duplicates, with

appropriate AR/CO terms and references, the SAR 2 form. The AR 2 form is a required form, substitutes permitted, which is used to inform recipients that are under the AR/CO reporting system in CalWORKs and the Change Reporting system in CalFresh of their Income Reporting Threshold (IRT) and reporting responsibilities. This form is consistent with the regulations.

Factual Basis:

This adoption is necessary because the form AR 2, the "Reporting Changes for Cash Aid and CalFresh," which is a required form with substitutes permitted, informs recipients that are under the AR/CO reporting system in CalWORKs and the Change Reporting system in CalFresh of their IRT and reporting responsibilities. The AR 2 is based on the SAR 2 with appropriate AR/CO terms and references and explains what the IRT is based on, how to count your income, what will happen when income over the IRT is reported, and the penalties for not reporting. The AR 2 (11/13) is a "required form, substitutes permitted" in order to be consistent with other forms that are issued with the purpose of informing CalWORKs and CalFresh recipients of their IRT and reporting responsibilities. This adoption is also necessary to comply with WIC sections 11265.45, 11265.46, 11265.47, and 11264.48 as adopted by SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 80-310(a)(2)(AR/CO)

Specific Purpose:

This section is adopted to incorporate by reference a form that is used in the AR/CO reporting system. This form is not printed in the CDSS MPP because it would be cumbersome and impractical; however, this form is readily available from the CDSS. The AR 2 SAR (Reporting Changes for CalWORKs and CalFresh form) is a required form with substitutes permitted, which is used to inform recipients that are under the AR/CO reporting system in CalWORKs and the Semi-Annual Reporting system in CalFresh of their Income Reporting Threshold (IRT) and reporting responsibilities. This form is consistent with the regulations.

Factual Basis:

This adoption is necessary because the form AR 2 SAR, the "Reporting Changes for CalWORKs and CalFresh," which is a required form with substitutes permitted, informs recipients under the CalWORKs AR/CO reporting system and CalFresh Semi-Annual Reporting system of their Income Reporting Threshold (IRT) and reporting responsibilities. The AR 2 SAR is based on the SAR 2 with appropriate CalWORKs AR/CO terms and references and explains what the IRT is based on, how to count your income, what will happen when income over the IRT is reported, and the penalties for not reporting. The AR 2 SAR is a "required form, substitutes permitted" in order to be consistent with other forms that are issued with the purpose of informing CalWORKs and CalFresh recipients of their IRT. This adoption is also necessary to comply with WIC sections 11265.45,

11265.46, 11265.47, and 11264.48 as adopted by SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 80-310(a)(3)(AR/CO)

Specific Purpose:

This section is adopted to incorporate by reference a form that is used in the AR/CO reporting system. This form is not printed in the CDSS MPP because it would be cumbersome and impractical; however, this form is readily available from the CDSS. The AR 3 is a recommended form, which is used to by recipients to report mandatory and/or voluntary mid-period changes in writing. This form is consistent with the regulations.

Factual Basis:

This adoption is necessary because the form AR 3, the "Mid-Year Status Report for Cash Aid and CalFresh," which is a voluntary form, is used by recipients in the AR/CO reporting system to report mandatory and/or voluntary changes mid-period. Clients are not mandated to use the form and counties shall accept mid-period reports that are submitted in a manner other than on the AR 3. This adoption is also necessary to comply with WIC sections 11265.45, 11265.46, 11265.47, and 11264.48 as adopted by SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 80-310(c)(9)

Specific Purpose:

This section is repealed because it became inoperative under SAR. The CW 23 was replaced with the SAR 23 when SAR was implemented.

Factual Basis:

This amendment is necessary to remove a definition for a form that became obsolete under SAR.

Sections 80-310(c)(10) through (c)(15) renumbered to 80-310(c)(9) through (c)(14) respectively

Specific Purpose/Factual Basis:

These sections are amended to remove the (SAR) designation because these forms are not specific to SAR. These sections are also renumbered to maintain consistent, alphabetical numbering in this section of the MPP.

Section 80-310(c)(15)

Specific Purpose:

This section is adopted to incorporate by reference a form that is used in the AR/CO and SAR reporting systems. This form is not printed in the CDSS MPP because it would be cumbersome and impractical; however, this form is readily available from the CDSS. The CW 2211 (Your "CalWORKs Reporting Rules Have Changed" form) is a recommended form, which is used to inform recipients when their case is moving from SAR to AR/CO. It includes a description of the basic differences between the two reporting systems and describes the mandatory reporting requirements under AR/CO.

Factual Basis:

This adoption is necessary because the form CW 2211, "Your CalWORKs Reporting Rules Have Changed" (9/13), which is a recommended form, is used to inform recipients when their case is moving from SAR to AR/CO. It includes a description of the basic differences between the two reporting systems and describes the mandatory reporting requirements under AR/CO. This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 80-310(c)(16)

Specific Purpose:

This section is adopted to incorporate by reference a form that is used in the AR/CO and SAR reporting systems. This form is not printed in the CDSS MPP because it would be cumbersome and impractical; however, this form is readily available from the CDSS. The CW 2212 (the "The Rules for Your CalWORKs Case Have Changed" form) is a recommended form, which is used to inform recipients when their case is moving from AR/CO to SAR. It includes a description of the basic differences between the two reporting systems and describes the mandatory reporting requirements under SAR.

Factual Basis:

This adoption is necessary because the form CW 2212, "Your CalWORKs Reporting Rules Have Changed" (9/13), which is a recommended form, is used to inform recipients when their case is moving from SAR to AR/CO. It includes a description of the basic differences between the two reporting systems and describes the mandatory reporting requirements under AR/CO. This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 80-310(q)(1)(QR) through 80-310(q)(11)(QR)

Specific Purpose:

These sections are repealed because the QR forms are no longer in use in the CalWORKs program.

Factual Basis:

These repeals are necessary so that forms that are no longer in use are no longer listed in the MPP. These forms became obsolete when the SAR was implemented.

Sections 80-310(s)(6), (7) and (12)

Specific Purpose:

These sections are amended to remove the (SAR) designation because the existing sections apply to both SAR and AR/CO as written, so it is no longer necessary to distinguish these sections as SAR regulations.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remain relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 80-310(t)(5)

Specific Purpose:

This section is adopted to add an AR/CO form that substantively duplicates, with appropriate AR/CO terms and references, the Temp QR 1 form. The Temp AR 1 was used when AR/CO was implemented in each county to inform clients of the main changes from QR to AR/CO. This form is consistent with the regulations.

Factual Basis:

This section is adopted to incorporate by reference a form that was used when AR/CO was implemented in each county. This form is not printed in CDSS MPP because it would be cumbersome and impractical; however, this form is readily available from CDSS. The TEMP AR 1 (2/13) is the "New Reporting Requirements for CalWORKs and CalFresh" and is a mass informing notice used to inform recipients of the main changes from QR to AR/CO. This temporary notice was sent to recipients prior to the implementation of AR/CO and is also given to new applicants who applied during the transition to AR/CO.

Section 80-310(t)(5) and (6) renumbered to (t)(6) and (7) respectively

Specific Purpose/Factual Basis:

These sections are renumbered to maintain consistent, alphabetical numbering in this section of the MPP. These amendments are necessary to ensure that the most recent revised version of these forms are referred to in the MPP.

Section 82-820.3

Specific Purpose:

This section is amended to add an AR/CO provision that substantively duplicates, with appropriate AR/CO references, the existing Section 82-820.3.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 82-824.14 et seq.

Specific Purpose:

This section is amended to remove the (SAR) designation because the existing section applies to both SAR and AR/CO as written, so it is no longer necessary to distinguish this section as a SAR regulation.

Factual Basis:

This amendment is necessary to continue under AR/CO an existing SAR regulation that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 82-832.3(a)

Specific Purpose:

This section is amended to add an AR/CO provision that specifies if a new person is mandatorily reported on the SAWS 2 or mid-period and ineligibility occurs before the redetermination or application to add a new person is processed and aid is authorized, the new person shall not be added to the AU. The section further states if the new person is

found to make the entire AU ineligible, aid will be discontinued for the entire AU at the end of the month in which the new person was mandatorily reported.

Factual Basis:

This amendment is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination. Changes in household composition are required to be reported mid-period and the county shall redetermine eligibility as stated in WIC section 11265.47.

Handbook Section 82-832.3(a)

Specific Purpose/Factual Basis:

This handbook section is amended to add an AR/CO example that substantively duplicates, with appropriate AR/CO terms and references, the existing handbook section.

Handbook Section 89-110.1

Specific Purpose/Factual Basis:

This handbook section is amended to correct the effective date of the current MAP levels.

Sections 89-110.28, .29 and .292

Specific Purpose:

These sections are amended to add AR/CO provisions that substantively duplicate, with appropriate AR/CO terms and references, the existing Sections 89-110.28, .29 and .292.

Factual Basis:

These amendments are necessary to continue under AR/CO existing SAR regulations that remains relevant under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Section 89-110.292(a)

Specific Purpose:

This section is adopted to add an AR/CO provision that specifies if a change in household composition is reported mid-period and the change results in a change in MAP status which will increase or decrease cash aid, the change in status shall be effective per section 44-

316.325(AR/CO) which references effective dates of cash aid increases and decreases based on changes in household composition.

Factual Basis:

This adoption is necessary to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination. Per WIC section 11265.47, the county shall redetermine eligibility and grant amounts when changes in household composition are reported.

Handbook Section 89-110.31, Examples 1, 2, 3, 5, 6, 7, 9 and 10

Specific Purpose/Factual Basis:

These handbook examples are amended to add a (SAR) designation. These amendments are necessary because the examples apply to only SAR cases.

Handbook Section 89-110.31 Examples 4, 5a and 8

Specific Purpose/Factual Basis:

These handbook examples are amended to add an (AR/CO) designation. These amendments are necessary because the examples apply to only AR/CO cases.

Handbook Sections 89-110.32, Example 11 and .33, Examples 12 through 15

Specific Purpose/Factual Basis:

These handbook examples add AR/CO examples that substantively duplicate, with appropriate AR/CO terms and references, the existing section examples. This amendment is necessary to ensure the continuation of current requirements that remain relevant under AR/CO and to provide examples of Exempt and Nonexempt AUs, Financial Eligibility Determination, MAP Status Determination, and Mid-Period MAP Status Changes under AR/CO.

Handbook Section 89-110.33, Example 17

Specific Purpose/Factual Basis:

This handbook adoption is necessary to provide an example of Mid-Period MAP Status Changes under AR/CO and to comply with the AR/CO provisions of SB 1041 (Chapter 47, Statutes of 2012) which state that a CalWORKs AU that does not include an eligible adult shall not be subject to periodic reporting requirements other than an annual redetermination.

Handbook Section 89-201.513(a)

Specific Purpose:

This handbook section is amended to reflect the revised EID and MAP levels in the grant calculations for an Assistance Unit (AU) that includes a minor parent and senior parent when the senior parent has earned income. The change in MAP and MBSAC amounts were not a result of SB 1041; these amounts have changed since the handbook example was last updated. This handbook section is further amended to add an (AR/CO) designation as the example is an AR/CO case as there is no eligible adult in the AU.

Factual Basis:

The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. This handbook section is amended to reflect the revised method for calculating the EID. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC sections 11452 and 11453.

Handbook Section 89-201.513(b)

Specific Purpose:

This handbook section is amended to reflect the revised MAP levels in the grant calculations for an Assistance Unit (AU) that includes a minor parent and senior parent when the senior parent has earned income. The change in MAP and MBSAC amounts were not a result of SB 1041; these amounts have changed since the handbook example was last updated. This handbook section is further amended to add a (SAR) designation as the example is an SAR case as the AU includes an eligible adult.

Factual Basis:

The WIC section 11451.5 was amended by SB 1041 to revise the process used in the CalWORKs program in disregarding certain income available to CalWORKs families when their financial eligibility and aid payment levels are determined. The current MAP levels are based on WIC section 11450, and MBSAC levels as determined per WIC sections 11452 and 11453.

b) Identification of Documents Upon Which Department Is Relying

SB 1041 (Chapter 47, Statutes of 2012), Sections 7, 8, 9, 10, 26 and 56
AB 1094 (Chapter 554, Statutes of 2013)
AB 85 (Chapter 24, Statutes of 2013), Section 1

c) Local Mandate Statement

These regulations do impose a mandate upon local agencies, but not on school districts. There are no "state-mandated local costs" in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code because any costs associated with the implementation of these regulations are costs mandated by the federal government within the meaning of Section 17513 of the Government Code.

d) Statement of Alternatives Considered

SB 1041 mandates that CDSS implement the policy change regarding AR/CO and the change in the EID through the regulatory process. In developing the regulatory action, the CDSS did not consider any other alternatives than the one proposed because there were no other alternatives proposed.

The CDSS has determined that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

e) Statement of Significant Adverse Economic Impact On Business

The CDSS has determined that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. This determination was made because the action taken regarding the implementing of the annual reporting system pertains to simplifying the reporting requirements for CalWORKs recipients and lessening their reporting burden from four times a year to once a year. In addition, this regulatory action will affect CalWORKs recipients who qualify for Earned Income Disregards and who receive Veteran's Disability Compensation benefits. These changes will actually allow these individuals to retain more of their income and grant amount giving them more liquid resources to put back into the economy.

f) Economic Impact Assessment

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California. This determination was made because this action only pertains to simplifying the reporting requirements for CalWORKs program recipients and lessening their reporting burden from four times a year to once a year. Although the change in reporting requirements results in administrative savings, the savings are obtained by reducing the amount of time spent on cases by Eligibility Workers. However, the overall caseload per Eligibility Worker is not reduced and the savings is part of an effort to refocus limited CalWORKs resources. The other proposed amendments relate to income disregards and the treatment of certain types of income. This only affects CalWORKs program

participants who qualify for income disregards. Therefore, the adoption of proposed amendments will not impact jobs or businesses in California. For the same reasons outlined above, this regulatory action will not have an effect on the worker safety or the state's environment. The health and welfare of California residents will be impacted by the regulatory action related to the Earned Income Disregard and changes in the treatment of Veteran's Disability Compensation because this regulatory action will allow CalWORKs recipients to retain more of their income.

The following documents were relied upon in proposing the regulatory action:

SB 1041 (Chapter 47, Statutes of 2012), Sections 7, 8, 9, 10, 26 and 56

AB 1094 (Chapter 554, Statutes of 2013)

AB 85 (Chapter 24, Statutes of 2013), Section 1

g) Benefits Anticipated from Regulatory Action

The benefits anticipated from this regulatory action include simplifying the reporting responsibilities for both CalWORKs recipients and county eligibility workers and allowing families to utilize more of their income to better meet basic needs to become self-sufficient.

h) Statement of Specific Technology or Equipment

This regulatory action will not mandate the use of new, specific technologies or equipment.

i) Testimony and Response

These regulations were considered as Item #1 at the public hearing held on September 3, 2014, in Sacramento, California. The following testimony was received during the 45-day comment period.

Jodie Berger, Regional Counsel, Legal Services of Northern California, submitted the following comments:

General Comment:

1. Comment:

For Overpayment/Overissuance reasons it is important that the Quarterly reporting rules be maintained within the regulations (and available on-line) somewhere. We recommend that they be moved into a single separate section for ease of reference.

Response:

The CDSS accepts this comment. For purposes of calculating overpayments and over issuances, as well as for general reference, a copy of the former regulations is available at: <http://www.cdss.ca.gov/ord/PG302.htm>.

Section 22-305.422(a)(1)

2. Comment:

The statement and example are confusing re: Intentional issues, as the SAWs2 is used, and would be reviewed in conjunction with the annual redetermination. The worker should be going over the SAWs 2 with the client and confirming and correcting the information prior to issuing benefits. Errors such as this should lead to a review of reporting responsibilities and assistance in how to complete the form.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Semi-Annual Reporting to Annual Reporting/Child Only Reporting. Therefore, no revision to this section in response to the testimony is being made.

Section 22-305.422(a)(2)

3. Comment:

The example is not sufficiently clear as it does not state when the income was received. Often initial paychecks are delayed, and clients turn in their reports very early in the month. Without stating when the paycheck is received and when the report is signed, you cannot tell whether this was intentional or correct. (This applies to both the SAR example and the new AR/CO example.) It also is confusing in AR/CO, as the SAWs2 is used, and would be reviewed in conjunction with the annual redetermination. The worker should be going over the SAWs 2 with the client and confirming and correcting the information prior to issuing benefits. Modify as indicated below:

EXAMPLE: Respondent reports on the SAWS 2 that he/she began employment the eleventh month of the AR/CO Payment Period Month and that he/she will be paid every two weeks. Respondent checks the box "No" for income received in the month and signs and dates the form on the 1st of the submit month, but turns it in on the 10th. She received her first paycheck on the 7th of the month. Since the client reported her job and anticipated income, and completed the form prior to getting her paycheck, the error was inadvertent.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Semi-Annual Reporting to Annual Reporting/Child Only Reporting. Therefore, no revision to this section in response to the testimony is being made.

Section 40-105.4(h) and .5(g)

4. Comment:

The example says that the aid shall be restored the 1st of the month after the verification is submitted. However, this presumes that the verification shows compliance *after* the penalty was imposed. If the verification shows that the family was in compliance *prior to* when the penalty was imposed, the aid should be fully restored. The purpose of the statute was to ensure compliance, not to penalize people for being unable to timely verify that they were, indeed, fully compliant.

Response:

The CDSS does not accept this comment. Sections 40-105.4(h) and 40-105.5(g) were not substantively amended, all that was done to those sections was repeal the Quarterly Reporting portion of the regulations which is obsolete. The penalty for failing to provide verification of immunization and school attendance is the adult being removed from the grant, and AR/CO cases by definition already have the adult removed. Therefore, no revision to these sections is being made as a result of this comment.

Section 40-107(k)

5. Comment:

Clients need advance notice of any change in the reporting requirements, so they can timely comply with any new obligations. Also, for clients who have been in the AR/CO reporting system, an oral review of how and when to report needs to occur to ensure the clients understand their reporting requirements mid-period. They will not know this if they have only done reporting in the context of redeterminations/recertifications through the SAWS2. The regulations and examples should state that the NOA must list what report will be due when. Modify (k) as follows: "The county shall provide the recipient, at least 10 days in advance of the change, with written notice when a recipient's reporting requirements transition from AR/CO to SAR or SAR to AR/CO at any time during the AR/CO Payment Period or SAR Payment Period, and shall also review the reporting responsibilities orally with clients moving from AR/CO to SAR. The notice of action must list what report is due and when."

Response:

The CDSS does not accept this comment. The issue raised in this comment is about adequate and timely noticing which is already covered in existing regulation Sections 22-071, 22-072 and 40-173. Therefore, no revision to this section is being made as a result of this comment.

Section 40-128.12

6. Comment:

The regulation should state that what would happen if the minor parent is unable to obtain a completed SAW 23 from the senior parent. At a minimum, it should state that the minor parent's application for aid for his/her own minor child shall be processed regardless of whether the minor parent is eligible. It also should clarify that emancipated minors are not subject to this regulation.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Semi-Annual Reporting to Annual Reporting/Child Only Reporting. The issue raised in this part of the testimony is also addressed in the MPP Section 89-201.26. Therefore, no revision to this section is being made.

Section 40-128.13

7. Comment:

The regulation should clarify that this only applies to sponsored immigrants when deeming applies, and cross reference the deeming sections. As drafted, it is over inclusive. There are many sponsored immigrants not subject to deeming, who would not have to complete the sponsor income/resources information, for example, individuals sponsored by agencies or minor children.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. The issue raised in this part of the testimony is also already addressed in the MPP Sections 43-119.22. Therefore, no revision to this section is being made.

Section 40-173.81

8. Comment:

The regulation should provide that the notice state when the report must be made. Clients are not clear whether it is within the timeframe from when the income is *received*, or from when they are certain it *will* be received. For example: If a client starts a job and is told their hourly wage/number of hours per week, that they will be paid weekly, and when the first check will be received, do they report when they learn this? When they get the first check? When they get the check that puts them over the IRT?

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Semi-Annual Reporting to Annual Reporting/Child Only Reporting. Therefore, no revision to this section is being made.

Section 40-181.216

9. Comment:

The regulations should be modified (SAR and AR/CO) to reflect that good cause shall be found if the county failed to provide a reasonable accommodation, or if the county was aware the client had a mental or other disability and failed to advise the individual that they could ask for a reasonable accommodation. Subsection (d)(1) should not be discretionary. Clients are only required to report within their capacity. If the county is aware that the client has a condition that renders them unable to meeting their reporting requirements, they should be providing assistance, and should be finding good cause. Similarly, if the failure to timely submit a report is the county's fault, the client should not be penalized, and the good cause finding not left to the county's discretion. We have seen this when the client has receipts that they turned in a periodic report and the county can't find it.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Semi-Annual Reporting to Annual Reporting/Child Only Reporting. Therefore, no revision to this section is being made.

Section 40-181.217(b)

10. Comment:

This should be modified to indicate that the evidence can also be verified by the county (such as with the work number). Modify as follows: "Evidence shall be submitted with the SAWS 2 to verify the gross amount of all earned income received and the date of receipt, unless verified by the county."

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Quarterly Reporting to Annual Reporting/Child Only Reporting, which mirrors the process from Quarterly Reporting to Semi-Annual Reporting. Therefore, no revision to this section is being made.

Section 40-181.221

11. Comment:

The regulations should require that the county send a notice if the client initially had not turned in a SAR7 prior to the 15th, but then the county obtains a SAR 7 that is incomplete. At a minimum, the county must return the SAR7 marked for when needs completion or otherwise indicate what additional information is needed to render the document complete. This is required for due process, as otherwise, clients will think that they have complied, and not be able to timely appeal and get aid paid pending. If DSS will not require such a notice, it should accept an appeal within 10 days of the discontinuance as timely for purposes of aid paid pending.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. Therefore, no revision to this section is being made.

Section 40-181.241(h)

12. Comment:

40-181.241(h) should be modified to specify that the SAR 72 is not due unless deeming applies and/or cross-reference 43-119.12.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. The issue raised in this part of the testimony is also already addressed in the MPP Section 43.119.22. Therefore, no revision to this section is being made.

Section 42-207 (sic should be 42-407.1)

13. Comment:

Residency: there is a DSS residency workgroup, which is clarifying residency. The regulations should reflect this, and not require a new regulation packet. Consistent with the Civil Code, DSS will be using an intent standard. So, the regulation should be modified as follows: "The written statement of the applicant or recipient is acceptable proof to establish his or her intention of establishing residence ~~unless the statement is inconsistent with the conduct of the person, with other information known to the county, or with other statements on the SAWS 2, SAR 7, or recipient mid-period reports.~~

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Quarterly Reporting to Annual Reporting/Child Only Reporting, which mirrors the process from Quarterly Reporting to Semi-Annual Reporting. Therefore, no revision to this section is being made.

Section 42-721.48 (sic should be 42-721.49)

14. Comment:

Correct the typo; ".49 The CWD shall grant aid: .491 On the first day of the month following the date that the individual contacted the county to indicate his or her desire to end the sanction..." Also, the person does not need to apply for aid to be restored, as if the family is already aided, the sanctioned person is automatically added in at the end of the sanction. If the only eligible person is curing a sanction, they also should automatically be processed for having their aid restored, and the regulations should provide that prior to the completion of the cure, the county shall ensure all needed updated information is received, so the grant can recommence on the 1st of the month following contact, once the cure has been completed.

Response:

The CDSS partially accepts this comment. The CDSS appreciates the notice of a typographical error. With the word "indicate," the initial "i" is missing, but it is correct in the manual. Therefore, this section has been revised within the regulations package in response to the testimony.

The CDSS does not accept the remainder of this comment. This testimony appears to be outside the scope of the proposed regulations. Therefore, no revision to this section is being made.

Section 42-721.49(a) (sic should be 42-721.491(a))

15. Comment:

The example is not clear why the family is granted on July 5th when they applied July 1st, and whether that date refers to when the case was boarded or the BDOA. It is unfair to penalize the client if the county cannot arrange this right away. Correct as follows: "Example: An individual who was sanctioned and left aid with his family after failing to participate in vocational education contacts the CWD on July 1 to reapply for aid. His family is determined eligible for aid on July 5 and aid is granted to the family as of July 5; with a beginning date of aid of July 1st."

It is also not clear why the contact/request to cure wasn't done on 7/1, and why the county did not arrange the cure plan that same date. To avoid this implication, we recommend changing the application date to 7/2.

Finally, there is a pending request to DSS to address the issue of sanctions to people who are not aided (and thus cannot cure) because the whole family is off aid, and/or to determine whether there has been compliance while off aid. We are concerned about continuing regulations that are not appropriate.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. Therefore, no revision to this section is being made.

Section 44-101(a) and (c)

16. Comment:

(for both SAR and AR/CO): reasonably anticipated should be further defined to include that the income is known as to amount and receipt if from a new source. This would integrate into regulations what has been issued in an ACL. (For example, unemployment insurance income is not 'reasonably anticipated' based upon a letter that says the person has funds in their account, but rather from the actual issuance of either a check or a letter that says the benefits amount, frequency and when the first check will start.)

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Semi-Annual Reporting to Annual Reporting/Child Only Reporting. The issue raised in this part of the testimony is also already addressed in the MPP Section 44-315.311. Therefore, no revision to this section is being made.

Section 44-101 (sic should be 44-101(b)(1))

17. Comment:

The definition of separate property is incomplete, and needs updating, for both SAR and AR/CO. For example, inheritances are separate property if issued to just one spouse, as well as any income or resources that existed prior to marriage and were maintained. The regulations should include the provisions of Family Code Section 770-772.s

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Quarterly Reporting to Annual Reporting/Child Only Reporting, which mirrors the process from Quarterly Reporting to Semi-Annual Reporting. Therefore, no revision to this section in response to the testimony is being made.

Section 44-113.21

18. Comment:

This is a good time to clarify commissions and reasonably anticipated income. In order to be reasonably anticipated, the commission amount and date of payment must be confirmed. We have had many situations of clients who are unaware of what commission they will get when, and significant delays in payments of commissions. So even though it may have been 'earned' at an earlier date, based on a work-based event, the payment may not be made until significantly later.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Semi-Annual Reporting to Annual Reporting/Child Only Reporting. Therefore, no revision to this section is being made.

19. Comment:

For clarity, both the SAR and AR/CO provisions should state, parenthetically, that business expenses may be actual or the flat rate.

Response:

The CDSS does not accept this comment. This testimony appears to be outside the scope of the proposed regulations. This was a non-substantive change from Quarterly Reporting to Annual Reporting/Child Only Reporting, which mirrors the process from Quarterly Reporting to Semi-Annual Reporting. Therefore, no revision to this section in response to the testimony is being made.

j) 15-Day Renotice Statement

The CDSS did not renote these regulations because no changes requiring renote were made to the regulations following the public hearing.